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14 February 1957

#### MEMORANDUM FOR THE RECORD

SUBJECT: Resume of OCB Luncheon Meeting, 13 February 1957

PRESENT: Mr. Herter, Mr. Cutler, Mr. Dulles, Mr. Robertson, Mr. Larson, Mr. Fitzgerald, Mr. Peaslee, Mr. Staats

### 1. Film of Hungarian Revolt

Prior to the luncheon, Mr. Larson described to DCI a film of the Hungarian revolt and of Soviet suppression thereof taken by a French newspaper correspondent which Mr. Larson now understands is in the Indian Embassy in Budapest. Mr. Larson is raising with State the possibility of trying to obtain this film.

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#### 2. Mr. Cutler's Report on the Last NSC Meeting

In this verbal report Mr. Cutler alluded to a new NSC policy paper on Iran and to a report by a Special Panel on Human Effects of Nuclear Weapons Development. He also reported on the present status of the Executive Order for OCB which he thinks will go through quickly. There are some minor Defense and Treasury suggestions which he expects to receive shortly. These suggestions, in his opinion, will not significantly delay the Executive Order.

## 3. Iraq

At Mr. Dulles' request, Mr. Herter and Mr. Robertson reported on progress in coordinating State and Defense's position on the proposed military aid program to Iraq.

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## 4. Killian Committee Recommendations

Mr. Cutler handed to Mr. Dulles and Mr. Herter recommendation No. 5 of the Killian Committee Report to the President. This recommendation concerned NSC 5412/2 coordination. Mr. Dulles requested that Mr. Cutler delay any further action on the recommendation until after CIA had had a chance to study and comment on it. (DCI indicated that he would handle this matter directly with Mr. Helms and Mr. Kirkpatrick.)

## 5. Italy

The Board considered a report prepared by the Department of Commerce on Operation Free Enterprise and received an oral briefing on the subject by Mr. B. Allen Rowland and Mr. Marshall Smith, Acting Assistant Secretary of Commerce. (Mr. Staats' minute of this discussion is attached.)

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FYI, Mr. Richards, State Board Assistant, called this A. M. to say that they are initiating a study to determine the value of extending "Operation Free Enterprise" to other countries.)

> ALLEN W. Director

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February 1/4, 1957

MENORANDUM FOR THE RECORD

SUBJECT: Supplement to the Minutes of the GCB Meeting of February 13, 1957.

At the informal luncheon meeting of the OCB of February 13, the Board considered a report prepared by the Bepartment of Commerce on Operation Free Enterprise and received an oral briefing on the subject by Mr. B. Allen Rowland, formerly Special Assistant to the Secretary of Commerce, who had responsibility in the Department for this project, and from Mr. Marshall Smith, Acting Assistant Secretary of Commerce for International Affairs. This matter was considered in the Board in connection with the question raised in a letter from the Secretary of Commerce of January 11, requesting the Board's views as to the continuation of this project.

# The Board agreed upon the following:

- (a) That consideration be given by the Department of State to the possibility of extending the project to other countries in which there is located a significant number of U.S.—owned or controlled subsidiaries and in which there exists important Communist influence in labor organizations. It was agreed that the Department would request the views of the Embassies in these countries and following receipt of these recommendations, the matter would be further discussed in the Board in order to respond to the letter from the Secretary of Commerce.
- (b) That, on the basis of oral discussion and recommendations received from Embassy Rome, continuation of the program in Italy appears to be warranted. It was agreed, however, that the designation of an individual in the Department of Commerce to assume this responsibility might appropriately await a decision as to whether the project should be extended to other countries.

Elmer B. Steats Executive Officer

### DISTRIBUTION:

Mr. Herter Mr. Hollister Mr. Cutler Mr. Larson

Mr. Dulles Mr. Marshall Smith, Commerce

Mr. Robertson CCB Files

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